

## RAD vs. Streamlined Voluntary Conversion

Program Requirements	Streamlined Voluntary Conversion	RAD
Application Requirements		
Threshold Eligibility	The PHA meets the alternative cost-test established by HUD (listed on Appendix A of the Notice) and is able to show the conversion will not negatively impact the availability of affordable housing in the community	The PHA submits a proposal for how it can convert public housing subsidy to Section 8 project-based (project based voucher (PBV) or project-based rental assistance (PBRA)) based on RAD rents for substantially all the public housing units being converted. The PBV or PBRA assistance may be in original public housing units, in newly constructed units on the same land, or at another property.
PHA Plan	Must be included its PHA Plan, Significant Amendment or Public Hearing (Qualified PHA). The PHA must include information listed in Section 7 of PIH Notice 2014-14.	Must be included its PHA Plan, Significant Amendment or Public Hearing (Qualified PHA). The PHA must include information listed in Attachment 1D of PIH Notice 2012-32.
Resident Consultation	(1) conduct at least one meeting with residents where the PHA provides draft copies of the conversion plan; (2) provide a reasonable comment period for residents; (3) prepare comprehensive written responses to resident comments; and (4) consider resident comments in developing the final conversion plan.	(1) notify residents prior to submitting application; (2) conduct at least two meetings with residents; (3) prepare comprehensive written responses to resident comments and submit to HUD with RAD Application; (4) meet with residents after CHAP but before HAP; and (5) meet with residents if conversion plan changes.
Physical Needs Assessment (PCA) and minimum property standards	Not Required.	Required, on all units except those replaced with new construction. The PCA is a detailed physical inspection of the development(s) to determine immediate rehabilitation needs, and long-term capital needs to be funded through a Reserve for Replacement account.
Board Resolution	Required.	Required
Local Government Consultation	Required, must submit a certification from the appropriate state or local officials that conversion plan is consistent with the Consolidated Plan. This may be the same certification as is required for the PHA Annual Plan that includes the conversion plan, so long as the certification specifically addresses the conversion plan.	Not required as a separate process, but required as part of the PHA Annual Plan process (significant amendment).

Environmental requirements	All voluntary conversion plans must include a description of the PHA's intended plans for the development (physical asset). Disposition of the development or retention of the development free and clear of federal restrictions will be subject to environmental review under 24 CFR part 58 or part 50.	Required under 24 CFR part 58 for PBV and 24 CFR part 50 for PBRA.
Impact Analysis	Required, an analysis on the likely impact the conversion on the community. The PHA should provide a detailed discussion on how the voluntary conversion would impact (a) the availability of affordable housing in the community; (b) the concentration of poverty in the community; and (c) any other substantial characteristics of the community.	Not Required.
Rental Market Analysis	Required, an analysis of the likely success of public housing residents in using Section 8 tenant-based (TBV) assistance in the rental market, taking into account the particular characteristics of such residents (such as large households or the presence of elderly or disabled family members or other "hard to house" families).	Required
Civil Rights Compliance Review	<p>Required, the PHA must be in compliance with all fair housing and civil rights requirements at 24 CFR §5.105(a) and may not have an outstanding charge, cause determination, lawsuit, or finding of noncompliance with such requirements that is not the subject of a voluntary compliance agreement, settlement agreement, consent order, or other remedial agreement to which the PHA is a party. Neither the applicant PHA nor the voucher PHA (if applicable) may be in breach of any such agreement or order.</p> <p>HUD's Office of FHEO will do a front-end civil rights review to assure the plan addresses all outstanding civil rights matters. FHEO will also review the relocation plan, resident consultation, and likely impact of the proposed action to assure compliance with applicable civil rights requirements. Any proposed off-site PBV developments that the PHA proposes in connection the conversion will be subject to HUD's Site and Neighborhoods review.</p>	<p>Required, the PHA must be in compliance with all fair housing and civil rights requirements at 24 CFR §5.105(a) and not, without resolving to HUD's satisfaction, any the charges, cause determinations, lawsuits, or letter of findings.</p> <p>Any proposed "transfer of assistance" off-site will be subject to HUD's Site and Neighborhoods standard review.</p> <p>HUD's Office of FHEO completes a Relocation and Accessibility Checklist.</p>

<p>Application Submission, Processing, and Approval Process</p>	<p>Application must be substantially complete for HUD to process. Otherwise, HUD will reject. HUD will issue an initial response to the application within 90 days.</p> <p>If the PHA meets all application requirements, HUD will issue approval letter, which allows the PHA to apply for tenant-protection vouchers and begin implementing the conversion plan (including relocation, applications for LIHTC, PBV, etc.). When the PHA is ready to complete conversion, HUD will release the property from DOT and ACC and the PHA will request that HUD remove the units from IMS/PIC.</p> <p>Applications must be submitted via the IMS/PIC-Inventory Removals sub-module—the “Streamlined Voluntary Conversion” Application Type.</p>	<p>Applications initially awarded a Commitment to Enter into a Housing Assistance Payment Contract, or CHAP, followed by a requirement to meet certain contractual milestones established by HUD, including Lender Engagement or Commitment Letter (if applicable), statement of development team capacity, the significant amendment to its Annual/Five Year Plan, and the PHA’s decision whether the development will convert its assistance to PBV or PBRA.</p> <p>If the PHA meets all milestones, HUD will enter into HAP, at which point HUD releases the DOT on the property, temporary relocation (if necessary) can begin, and HUD will remove the units from IMS/PIC.</p> <p>Applications initially submitted in accordance with RAD instruction. After CHAP is issued, the PHA submits the application via the IMS/PIC-Inventory Removals sub-module—the “RAD-PBV” or “RAD-PBRA” Application Type.</p>
<p><b>Resident Protections</b></p>		
<p>Impact of conversion on residents (relocation)</p>	<p>The PHA must offer all impacted residents a form of permanent comparable housing, as well as pay for their actual and reasonable relocation expenses and provide them with appropriate mobility counseling.</p> <p>The principal form of comparable housing that the PHA will offer to residents is Section 8 TBVs, if residents qualify. Vouchers must be issued at least 90 days prior to conversion. If residents are “over-income”, residents may be offered URA assistance. The PHA may ask residents to accept a development-based voucher unit instead of a voucher.</p>	<p>Residents may not be permanently involuntarily displaced as a result of a development’s conversion. Temporary relocation may occur in accordance with all applicable RAD requirements.</p>

Right-to-Remain (or return to the same or other project-based housing)	<p>Yes, but only if existing the development will be used as housing (affordable or market-rate), and only for residents who qualify for the Section 8 TBV program (e.g. not over-income).</p> <p>No, if the PHA will sell the development, and it will not be re-used as housing, the PHA can give the residents Section 8 TBVs to use in the private market and/or the opportunity to move to a PBV unit at another development.</p>	All impacted residents are entitled to a permanent unit in the converted housing, whether on-site or off-site and notwithstanding whether the conversion included any temporary relocation. Residents must be recertified and eligible for the Section 8 PBV or PBRA housing. If residents are not eligible for the PBV or PBRA housing in accordance with the applicable Section 8 rules, the PHA must provide the residents with the opportunity to remain (or return) to the converted housing without such assistance, or the resident must voluntarily opt to leave.
Rescreening	<p>HUD lacks authority under the Voluntary Conversion statute to waive rescreening; therefore, all residents will be screened for admission into the Section 8 TBV program.</p> <p>In addition, if residents are using Section 8 TBVs in the private market, their rental applications are subject to all tenant selection and screening requirements by that landlord. However, if the existing public housing development will be used as housing and resident chooses to remain under the right to remain authority, the only screening requirement that applies is admission into the Section 8 TBV program.</p>	<p>No rescreening. All households are entitled to a unit in the converted housing (including over-income housing).</p> <p>Once that household moves out, the unit must be leased to an eligible family referred from the PHA's waiting list.</p>
Choice Mobility	Yes, at conversion approval if resident independently qualifies for the Section 8 program. In addition, as a voucher participant, a family may move any time thereafter, provided it does not break a lease or otherwise violate HCV requirements.	Yes, after one year for PBVs and after two years for PBRA.
Ability to relocate residents prior to HUD's approval of the conversion	No, the PHA cannot start relocation "process" (i.e. issue resident notices) until HUD approves conversion plan.	The PHA generally cannot begin relocating residents until closing.
Rights from Section 6 of the 1937 Act Grievance procedure and termination notification	No	Yes

Resident participation and funding	No	Yes
Continued participation in Family Self-Sufficiency (FSS) & Resident Opportunities and Self-Sufficiency (ROSS-SC)	<p>For PH FSS, HUD encourages PHAs to honor its Contracts of Participation for participating families that have not met their obligation by transferring participating residents to an Section 8 Housing Choice Voucher (HCV) FSS program or by terminating families' participation in the program and disbursing escrowed funds.</p> <p>For the ROSS-SC program, program grants must be closed in accordance with their grant terms (i.e. the PHA may continue to operate its program until the agreement is closed out, may transfer its program to another PHA.</p> <p>For the CFCF grant program, the PHA must return the grant amount prior to conversion or complete the program.</p>	<p>For PH FSS, current participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will generally be allowed to use any PH FSS funds granted previously or pursuant to the FY 2013 PH FSS NOFA, to serve those FSS participants who live in units converted by RAD and who will as a result be moving to the HCV FSS. However, if the PHA has an HCV FSS program, a PHA must convert the PH FSS program participants at the covered development to their HCV FSS program.</p> <p>For ROSS-SC, the PHA grantee will be able to finish out its current ROSS-SC grants (and serve the residents with those grants) once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing.</p> <p>For the CFCF grant program, the PHA must return the grant amount prior to conversion or complete the program</p>
Ability to convert vacant units	No	Yes
<b>Requirements related to Section 8 assistance, property/assets, and cash flow</b>		
PHA eligibility for Section 8 assistance from HUD	Yes, through an application for TPVs, dependent on availability of appropriated funds.	Yes, for occupied and vacant units, minus de minimis reductions, through direct conversion of assistance at RAD rents (i.e. this funding is NOT through the TPV program).
Requirement to project-base the Section 8 assistance	No, assistance is TBV. The PHA may project-base its Section 8 housing choice assistance in accordance with all applicable PBV rules (i.e. the PHA may only PBV 20% of its total Section 8 HCV may only PBV 25% of units at a building unless families are elderly, disabled and/or receiving supportive services	Yes, though PBRA or PBV. However, PBV in RAD generally has a per project limitation of 50% unless families are elderly/disabled or the residents at the project receive supportive services. See page 32 of RAD Notice (PIH 2012-32)

Requirement to substantially replace with Section 8 project-based assistance	No, the PHA is not required to replace converted public housing with Section 8 project-based assistance. The PHA must offer all income-eligible residents Section 8 TBVs.	Yes, substantial replacement (1-1 basis) of converted public housing with Section 8 project-based assistance, with limited exceptions (i.e. de minimis exception, units vacant for 24+ month, etc.).
Requirements for Public Housing-only PHA (no Section 8 voucher program)	PHAs that do not administer Section 8 assistance must obtain a written commitment from a voucher PHA to administer the Section 8 TBV assistance (that will be provided through an allocation of TPVs). Funding will be provided to the administering PHA through the ACC.	PHAs that do not administer HCV assistance may convert to PBRA or obtain a written commitment from a voucher PHA. HUD may grant a good-cause exemption from the Choice Mobility requirement for Public Housing-only agencies.
Treatment of payment for sale/ground lease of property (if applicable)	Deemed “proceeds” under Section 18 of the 1937 Act and restricted to authorized uses.	Generally unrestricted (de-federalized), per the RAD Notice (PIH 2012-32).
Treatment of (seller) financing proceeds	Deemed “proceeds” under Section 18 of the 1937 Act and restricted to authorized uses.	Generally unrestricted (de-federalized), per the RAD Notice (PIH 2012-32).
Unlimited distributions (cash flow from property after conversion)	Yes	Yes
<b>Requirements related to “converted” project-based Section 8 assistance</b>		
Requirement to project-base	No, as explained above. Accordingly, the requirements below apply only to the extent that the PHA project-bases some of its Section 8 housing choice assistance in accordance with all applicable PBV rules (i.e. a PHA may only PBV 20% of its total Section 8 housing choice voucher assistance and may only PBV 25% of units at a project unless families are elderly, disabled, and/or receiving supportive services.	Yes

Ability to move assistance to another site as part of conversion plan	No. However, as part of the SVC plan and application, the PHA may propose to dispose of current public housing property through Section 18 of the 1937 Act and then use the proceeds from the disposition of to acquire/develop other property that it could propose to operate as PBV or new public housing units, in accordance with all applicable program rules.	Yes, through a “transfer of assistance” proposal
Long term use restriction recorded against the property	<p>It depends.</p> <p>No, if the PHA is selling the public housing property at FMV and providing residents with TPVs to use in the private market. However, proceeds would need to be used for purposes authorized under Section 18 of the 1937 Act.</p> <p>Yes, if the PHA’s plan is to continue to use the property as affordable/PBV housing and involves a below FMV disposition to another entity or a request that HUD release the DOT under 24 CFR part 85/part 200 without requiring compensation to HUD.</p>	Yes
PBV conversion exempt from 20% HCV cap	No	Yes
PBV conversion exempt from 25% Project cap	No	Yes, the PHA may project-base 50% of a building, or up to 100% if supportive services are provided.
Ability to project-base as PBV or PBRA	There is no authority under SVC for a PHA to attach PBRA to the units. The PHA may be able to PBV the units but only if (i) it can comply with all applicable statutory, regulatory, and HUD program requirements of the Section 8 project-based voucher program; and (ii) it provides all residents who are eligible for section 8 tenant-based assistance with the ability to remain in their dwelling units in the project and use the tenant-based assistance toward rent for their units. In other words, a PHA may not project-base a unit unless the existing residents either voluntarily agree to give-up their tenant-based assistance for project-based voucher assistance, or take and use their tenant-based voucher to another unit in the private market.	Yes

Ownership of converted development	No requirements. Ownership may be retained by the PHA, or disposed to a non-profit, for-profit, or LIHTC entity.	Public or non-profit ownership, unless to facilitate tax credits, in which case the PHA must preserves its interest in the property.
Subsidy Layering Review (SLR)	Yes, if required by SLR rules. (there is no SLR for HCV units or for PBV “existing” housing units. An SLR is required for PBV rehabilitated or newly constructed.	Yes, if required by SLR rules, but can be done by RAD Team.
Ability to retain public housing Capital and Operating Program Funds to use at the converted development	No, all remaining Public Housing Operating and Capital Funds must be returned to HUD.	Yes, the PHA is permitted to use available public housing funding that is associated with the converted project, including Operating Reserves and unobligated Capital Funds, as an additional source of capital to support conversion.
Impacts on Faircloth (ability to develop more public housing units)	Permanent Reduction, the PHA must close out its public housing inventory and cannot develop any new public housing units, so a conversion will end their ability to develop any new public housing units under Faircloth.	Permanent Reduction. A conversion under RAD permanently reduces the PHA’s Faircloth limit for the converted units. In other words, a PHA cannot develop new public housing units under Faircloth for units converted under RAD.
<b>Requirements post conversion</b>		
HAP renewal	Subject to PBV requirements, HUD has option to renew or not renew and owner has option to accept or not accept.	For PBRA, HUD is required to offer renewal and owner is required to accept.. For PBV, renewals are subject to the availability of appropriations, but generally the PHA must offer contract renewals.
Long term Use restrictions	If below FMV disposition or retention, minimum 30 year use restriction as housing for low-income families .	The PHA will execute a Use Agreement that is co-terminus with the HAP and renews automatically with any HAP renewal.



PHA reporting requirements and close-out of PHA's public housing inventory and program	<p>The PHA must report certain actions to HUD (including requirements related to any demolition or disposition, proceeds).</p> <p>The PHA must return any remaining Public Housing Operating and Capital Funds to HUD (including reserves).</p>	For the year of conversion, the PHA will continue to report the development in FASS-PH (for those months that they development remained in public housing).
HUD monitoring	HUD Field Offices of Public Housing monitors post conversion activities and reporting, including oversight of removal in IMS/PIC, any demolitions or dispositions approved as part of the conversion, and any required use restrictions (i.e. PBV or other affordable housing) at the property.	<p>If assistance is converted to PBV, HUD Field Offices of Public Housing monitors HAP and Use Agreement. The PHA's Board must approve the operating budget for the covered development . The PHA executes the HAP contract and is fundamentally responsible for running the program and ensuring compliance with HUD requirements.</p> <p>If assistance is converted to PBRA, a Contract Administrator (either HUD's Office of Multifamily Housing or a PHA) will be responsible for monitoring and reporting to HUD on activities related to the HAP contract.</p>